

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4680-01
Bill No.: HB 1808
Subject: Medicaid; Medical Procedures and Personnel; Health Care Professionals
Type: Original
Date: March 2, 2010

Bill Summary: This legislation requires the Department of Social Services to establish a rate of reimbursement for providers under the MO HealthNet program which provides equal reimbursement for similar services.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(Unknown but Greater than \$1,166,936)	(Unknown but Greater than \$1,427,695)	(Unknown but Greater than \$1,476,820)
Total Estimated Net Effect on General Revenue Fund	(Unknown but Greater than \$1,166,936)	(Unknown but Greater than \$1,427,695)	(Unknown but Greater than \$1,476,820)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

*Income and cost would net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 208.198:

Officials from the **Department of Health and Senior Services** assume the proposal would have no fiscal impact on their agency.

Officials from the **Department of Mental Health (DMH)** assume the DMH rate structure is important in maintaining access to safety net services for individuals with alcohol and drug problems, the mentally ill, and the developmentally disabled. It is unclear to what extent the legislation would impact the DMH Medicaid rate structure, but assuming some adjustment of rates, DMH estimates the impact as unknown to greater than \$100,000.

Officials from the **Department of Social Services-MO HealthNet Division (MHD)** states currently, physicians and podiatrists are reimbursed the same for similar services in the MO HealthNet program. However, optometrists and psychologists are not always reimbursed the same as physicians for similar services. Therefore, equalizing reimbursement between these groups of providers would create a fiscal impact to the MHD.

Equalizing rates between optometrists and physicians would cost about \$306,680 annually. Equalizing rates between psychologists and physicians would cost about \$3,180,988.

Since this legislation is subject to appropriations the cost is stated as a range. Costs for the first year (FY11) are for ten months. An inflation factor of 3.7% is applied to FY12 and FY13.

FY11 (10 mths):	\$0 to \$2,906,390 (\$0 to \$1,066,936 GR);
FY12:	\$0 to \$3,616,712 (\$0 to \$1,327,695 GR); and
FY13:	\$0 to \$3,750,530 (\$0 to \$1,376,820 GR).

Oversight notes that states can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures.

Oversight has, for fiscal note purposes only, assumed this proposal will be appropriated and reflexed the cost without a "\$0 to" range.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE FUND			
<u>Costs</u> - Department of Mental Health Program Costs	(Unknown but Greater than \$100,000)	(Unknown but Greater than \$100,000)	(Unknown but Greater than \$100,000)
<u>Costs</u> - Department Social Services Program Costs	<u>(\$1,066,936)</u>	<u>(\$1,327,695)</u>	<u>(\$1,376,820)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown but Greater than \$1,166,936)</u>	<u>(Unknown but Greater than \$1,427,695)</u>	<u>(Unknown but Greater than \$1,476,820)</u>
FEDERAL FUNDS			
<u>Income</u> - Department of Mental Health Federal Assistance	Unknown but Greater than \$100,000	Unknown but Greater than \$100,000	Unknown but Greater than \$100,000
<u>Income</u> - Department of Social Services Federal Assistance	\$1,839,454	\$2,289,017	\$2,373,710
<u>Costs</u> - Department of Mental Health Program Costs	(Unknown but Greater than \$100,000)	(Unknown but Greater than \$100,000)	(Unknown but Greater than \$100,000)
<u>Costs</u> - Department of Social Services Program Costs	(\$1,839,454)	(\$2,289,017)	(\$2,373,710)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

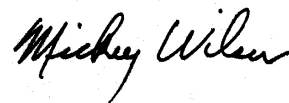
Section 208.198:

Subject to appropriations, the legislation requires the Department of Social Services to establish a rate of reimbursement for certain professionals under the MO HealthNet Program which provides equal reimbursement for the same or similar health services.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Mental Health
Department of Health and Senior Services
Department of Social Services



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Director
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